

PROJECT HEARING REPORT

Project: 09-068

Pinckneyville Community Hospital District d/b/a

Pinckneyville Community Hospital

February 5, 2010

On February 4, 2010, The State Agency conducted a public hearing for Project 09-068. The hearing was held at the Pinckneyville Junior High School, located at 700 East Water Street, Pinckneyville, Illinois.

The following summarizes the attendance figures:

Individuals who registered their attendance at the hearing:	56
Individuals who registered their opposition to the project:	8
Individuals who registered their support for the project:	11
Total individuals registered:	75

This report contains letters from the following individuals:

Shirley Welsch (2)*	George Ranta*	Eric Lambert*
Eric Campbell	Mary M. Roe	Thelma Reiman
Gayl Pyatt	E. Timothy King	Rose Thornton
Brent Hughes(2)	Randy Ragan	Rose Carson
Glenn Myers	Tom McDaniel	Julie Berner
Mark & Ruth McDaniel	Edwin Parkhurst	Emily Brock
Thomas Hudgins(2)	Dr. Charles W. Roe	Lesley Young
John Shotton(2)	Charles Herring	Susan Brown
Carol Porter	Kevin L. Miller	Shannon Davison
Peggy Sims	Kara Jo Carson	Pamela Gronemeyer
Nina Shotton	Dan Breslin	Joseph Holder
David Pirsein	Chad Rushing	Marty Davis
Shane Malawy	Roger Denton	Joseph Grasso
Larry West	Matthew West	Kevin Pyatt
Brent Kreid	Randall Reiman	Jodi Schoen

*Identifies letters of opposition

**Illinois Health Facilities Planning Board
PUBLIC HEARING REGISTER**

Site: Pinckneyville Jr. High

PROJECT # 09-068

Date: February 4, 2010

Address: 700 E. Water St.
Pinckneyville

NAME: Pinckneyville
Community Hospital

Time: 3:30 pm

TESTIMONY TO OPPOSE PROJECT

#	NAME (Please Print)	AGENCY, ORGANIZATION OR INSTITUTION REPRESENTED (PLEASE PRINT)	CITY (Please Print)	ORAL, WRITTEN OR BOTH (PLEASE PRINT)
1	George
2	George
3	Flornie Schneider		Pinckneyville, Ill.	written
4	Eric Lambert		Pinckneyville	
5	HELEN SCHASER		PINCKNEYVILLE	
6	...		Pinckneyville	
7	BILL WEBBER		"	
8	GILBERT WELSH		PINCKNEYVILLE	BOTH
9	...		"	
10	...			
11				
12				
13				
14				
15				

X: DID NOT SPEAK

**Illinois Health Facilities Planning Board
PUBLIC HEARING REGISTER**

Site: Pinckneyville Jr. High

PROJECT # 09-068

Date: February 4, 2010

Address: 700 E. Water St.
Pinckneyville

NAME: Pinckneyville
Community Hospital

Time: 3:30 pm

TESTIMONY TO SUPPORT PROJECT

#	NAME (Please Print)	AGENCY, ORGANIZATION OR INSTITUTION REPRESENTED (PLEASE PRINT)	CITY (Please Print)	ORAL, WRITTEN OR BOTH (PLEASE PRINT)
✓ 1	Thomas Hudgins	Pinckneyville Community Hosp	Pinckneyville	Both
2	Dr. G. W. Rose	"	"	"
3	Thomas Hedgins	"	"	"
4	Ed Parkhurst	Prism Consulting	Blount Tenn TN	"
5	Randy Leason	McGlaughy & Pullard	Springfield IL	"
6	Burt Burgess	Bassham Smith	Nashville TN	"
X 7	Keena Allen	"	"	"
8	Gene Myers	Colinus Motion	Asheville TN	"
9	Tim Henry	SMO Capital-GRST	Mt. Carmel IL	"
X 10	Howard Smith	SEI	Peoria IL	"
11	Howard Smith	SEI	Peoria	
12	Howard Smith	SEI	Peoria	
13	Howard Smith	SEI	Peoria	
14	IZL ENGELHARDT	FOUNDATION FOR PINCKNEYVILLE	PINCKNEYVILLE	BOTH
15				

X: DID NOT SPEAK

**Illinois Health Facilities Planning Board
PUBLIC HEARING REGISTER**

Site: Pinckneyville Jr. High

PROJECT #09-068

Date: February 4, 2010

Address: 700 E. Water St.
Pinckneyville

NAME: Pinckneyville
Community Hospital

Time: 3:30 pm

ATTENDANCE/NO TESTIMONY ON PROJECT

✓ #	NAME (Please Print)	AGENCY, ORGANIZATION OR INSTITUTION REPRESENTED (PLEASE PRINT)	CITY (Please Print)	ORAL, WRITTEN OR BOTH (PLEASE PRINT)
1	Wendy SELLERMAN		Pinckneyville	oppose
2	Sarah Shastan		Pinckneyville	oppose
3	Johnnie Thurt		Alex,	oppose
4	Priscilla Stearns		Pinckneyville	oppose
5	Miriam Webster		Pinckneyville	oppose
6	Karen J. Carson		Pinckneyville	Support
7	Jeff Carson		Pinckneyville	Support
8	Lucy D. Carson		Pinckneyville	Support
9	Shirley Ingram		Pinckneyville	oppose
10	Carol Rogers		Pinckneyville	oppose
11	Frank M. Hill		Pinckneyville	Support
12	Carrie Ford		Pinckneyville	Support
13	Imus Gillie		Pinckneyville	Support
14	Debra H. Smith		Pinckneyville	Support
15				

**Illinois Health Facilities Planning Board
PUBLIC HEARING REGISTER**

Site: Pinckneyville Jr. High PROJECT #09-068 Date: February 4, 2010

Address: 700 E. Water St. NAME: Pinckneyville
Pinckneyville Community Hospital Time: 3:30 pm

ATTENDANCE/NO TESTIMONY ON PROJECT

✓ #	NAME (Please Print)	AGENCY, ORGANIZATION OR INSTITUTION REPRESENTED (PLEASE PRINT)	CITY (Please Print)	ORAL, WRITTEN OR BOTH (PLEASE PRINT)
1	Richard M. Pyatt			Support
2	MARY M. ROE			Support
3	Albert B. [unclear]			
4	Frank Stein		Pinckneyville Ill.	
5	Max E. Johnson		Pinckneyville	Support
6	Gene Kirkman			Support Support
7	Ron Kirkman			Support Support
8	Sue Ellen Dixon		Pinckneyville	oppose
9	DAVID STONE		"	
10	Fam Logan		Tamara	
11	GAYL PATT		Pinckneyville	Support
12	Tracie Apple		Pin. Ill	oppose
13	Mary Green		Pin. Ill	Support
14	Charles E. Green		Pin. Ill	Support
15	David J. [unclear]		Pinckneyville	Support

**Illinois Health Facilities Planning Board
PUBLIC HEARING REGISTER**

Site: Pinckneyville Jr. High PROJECT #09-068 Date: February 4, 2010

Address: 700 E. Water St. NAME: Pinckneyville
Pinckneyville Community Hospital

Time: 3:30 pm

ATTENDANCE/NO TESTIMONY ON PROJECT

✓ #	NAME (Please Print)	AGENCY, ORGANIZATION OR INSTITUTION REPRESENTED (PLEASE PRINT)	CITY (Please Print)	ORAL, WRITTEN OR BOTH (PLEASE PRINT)
1	Margie Schularz		Pinckneyville	OPPOSE
2	Bob Henssart		Pinckneyville	—
3	Ernie Bracke			
4	Ed Kolmogor		Pinckneyville	(1.17)
5	Shirley Ferguson		PINCKNEYVILLE, IL	OPPOSE
6	Martha Ann Smith		PINCKNEYVILLE, IL	OPPOSE
7	Bill Engelman		Pills	Support
8	Blanche		3882 Fox Road	Support
9	Patricia Schward		PO BOX 1111	SUPPORT
10	William Schward		PINCKNEYVILLE	OPPOSE
11	Judy Holder		PINCKNEYVILLE	Support
12	Roger Seibert		PINCKNEYVILLE	Support
13	Melinda Felt		PINCKNEYVILLE	Support
14	Paula Ferguson		"	OPPOSE
15	Denise Anderson		Pinckneyville	OPPOSE

(55)

**Illinois Health Facilities Planning Board
PUBLIC HEARING REGISTER**

Site: Pinckneyville Jr. High

PROJECT #09-068

Date: February 4, 2010

Address: 700 E. Water St.
Pinckneyville

NAME: Pinckneyville
Community Hospital

Time: 3:30 pm

ATTENDANCE/NO TESTIMONY ON PROJECT

✓ #	NAME (Please Print)	AGENCY, ORGANIZATION OR INSTITUTION REPRESENTED (PLEASE PRINT)	CITY (Please Print)	ORAL, WRITTEN OR BOTH (PLEASE PRINT)
1	<i>Julian Cooper</i>	<i>ADLEN CARESON</i>	<i>Pinckneyville</i>	
2	<i>Paula R. Robinson</i>	<i>James R. Robinson</i>	<i>Pinckneyville</i>	
3	<i>Randall Robinson</i>	<i>James R. Robinson</i>	<i>Pinckneyville</i>	
4	<i>William Swallow</i>	<i>Wesley Swallow</i>	<i>Pinckneyville</i>	
5	<i>Virginia Elmer</i>	<i>Foundation for Pinckneyville Youth</i>	<i>Pinckneyville</i>	
6	<i>Tibbetta Rermon</i>	<i>Foundation for Pinckneyville Youth</i>	<i>Pinckneyville</i>	
7	<i>Coral Ramsey</i>		<i>Pinckneyville</i>	
8	<i>Tim O'Leary</i>		<i>Pinckneyville</i>	
9				
10				
11				
12				
13				
14				
15				

**Illinois Health Facilities Planning Board
PUBLIC HEARING REGISTER**

Site: Pinckneyville Jr. High PROJECT #09-068 Date: February 4, 2010

Address: 700 E. Water St. Pinckneyville
NAME: Pinckneyville Community Hospital Time: 3:30 pm

ATTENDANCE/NO TESTIMONY ON PROJECT

✓ #	NAME (Please Print)	AGENCY, ORGANIZATION OR INSTITUTION REPRESENTED (PLEASE PRINT)	CITY (Please Print)	ORAL, WRITTEN OR BOTH (PLEASE PRINT)
1	<i>Richard Cook</i>	Illinois HS Basketball HOF	Pinckneyville	
2	<i>Shade Pruitt</i>		AV#	<i>oppose</i>
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				

**Illinois Health Facilities Planning Board
PUBLIC HEARING REGISTER**

Site: Pinckneyville Jr. High PROJECT #09-068 Date: February 4, 2010

Address: 700 E. Water St. Pinckneyville
NAME: Pinckneyville Community Hospital Time: 3:30 pm

ATTENDANCE/NO TESTIMONY ON PROJECT

✓ #	NAME (Please Print)	AGENCY, ORGANIZATION OR INSTITUTION REPRESENTED (PLEASE PRINT)	CITY (Please Print)	ORAL, WRITTEN OR BOTH (PLEASE PRINT)
1	<i>Deborah Plummer</i>			
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				

My name is Shirley Welsch, a resident of Pinckneyville. Although I am not a member of the Pinckneyville Hosp. Board I do attend the Board meeting and have a concern about the Certificate of Need that has been filled for a New Pinckneyville Hospital.

My biggest concern is WHAT IS BEST FOR THE PEOPLE OF THE COMMUNITY?

Many people would have one to believe that a NEW HOSPITAL .. with BIGGER ROOMS, OPEN SPACES, & NEW DESIGNS.. will Bring in MORE PATIENTS.

When a person is sick or terminal ill and needs medical care.. You don't go out and shop for a Hospital bed...LIKE YOU WOULD A MOTEL.! You go where your doctor sends you and closed to home & family if possible. There are 4 area hospitals within 20 minutes of Pinckneyville. And many have just recently improved their facilities so the people will not be leaving their town to use Pinckneyville hospital.

GOOD QUESTION TO PONDER IS....Will a new hospital struggle to obtain new patients and pick up additional revenue in order to repay the cost of building new?

So once again....WHAT IS BEST FOR THE COMMUNITY?

Is it best for us to keep our present hospital or go into DEBT..(BIG TIME) for a 40 MILLION Dollar loan and stand the risk of losing the new one because we can't repay the loan and keep the hospital in operation.

Maybe our hospital board and Health Facilities Review Board should check out what is currently happening to the New Hospital in GALENA, IL. The hospital (Midwest Medical Center) is all new with bigger rooms, open spaces and state of the art facilities. But accordingly to the Galena Gazette newspaper and the internet the hospital is looking for a buyer and new owner of the facilities and assets. And only after 2 years. WHY.

To the Health & Planning Board..YOU HAVE A BIG DECISION TO MAKE.. on the Certificate of Need for a New Hospital in Pinckneyville..HOW DO YOU DEFINE NEED??? or is it just WHAT SOME PEOPLE WANT / You have 521 pages of information in the application plus many pages and pictures sent to you from other sources.

With the economical decline and financial troubles in our area and high unemployment (12%) MAYBE THIS IS NOT THE TIME... to take on a 40Million debt. If the citizens of Pinckneyville were given the opportunity to vote on this issue, my guess is over 2/3 rds would say..

Lets stay with what we have and be HAPPY & THANKFUL we have such a nice, clean & convenient hospital which is paid for.

Sincerely,

Shirley Welsch

1. The Pinckneyville Hospital is a Tax supported District and thus it belongs to the Community.
2. The Perry County Commissioners appoint 8 Board members to over see the hospital operation.
3. Over 1 ½ years ago 5 Hospital board members voted to close the Skilled Care Unit of the hospital. This closure was not the will of the community and a costly mistake. This reason given was the unit was losing money and the board did not want to take the unit to the new hospital that they wanted to build.
4. The loss of 40 plus patients and 60 jobs has made a negative impact on the hospital & town
5. According to an article printed in the DuQuoin Call on Tuesday Feb. 2th ... hospital has a ^{Operating loss of} \$89,192.00 for the year 2009 and had a net income of \$207,782.00. This could be interest on their C.D.'s and investments.
6. If the HOSPITAL BOARD gets their Certificate of Need and HUD Loan...they will build the New Hospital costing \$46 Million plus and take out the loan for \$40 Million dollars.
7. Given the 2009 financial report..Someone needs to do the MATH on this project. Maybe you as citizens and owners of the hospital need to check with the board members how their figures show to pay the principal and interest on a 40 Million dollar loan.

Enough Said.

Shirley Welsch

Second Hearing

HEARING IN PINCKNEYVILLE, ILLINOIS
FEBRUARY 4, 2010

When the news article about a new Pinckneyville Community Hospital complex was first published, the cost was \$21 million dollars; then sometime later, it was \$22 million; then it was \$31 million dollars and now the current construction cost is \$33,697,000 which includes much new equipment, however, now, for the first time, articles mention other costs such as architectural costs, financing costs and moving costs bringing the total to \$46,624,405. This does not include funds already spent on preliminary work or removal of the present hospital and landscaping the area which will substantially increase the total cost.

To support the need for a new hospital complex, the hospital has submitted a DETAILED INFRASTRUCTURE ANALYSIS which was prepared April 1, 2001 or almost nine years ago. There are no revisions or updates as to what has occurred since April 1, 2001. This laundry list of equipment and hospital systems includes items small and relatively inexpensive and large and expensive, for example, "the sprinklers installed in the 1976 addition are not quick response. Renovation or addition MAY require complete replacement of the sprinkler HEADS in the facility to quick response type. This shouldn't be too costly.

"The hospital is not protected throughout with an automatic sprinkler system. The installation of a sprinkler system is recommended if the Hospital is to continue to occupy the building". This is not very expensive since the 1976 addition has sprinklers and the ground floor of the original building has sprinklers. It is a matter of extending them to the other floors. There are drop ceilings on all the floors.

"The Nurse Call systems in the Hospital were installed when the areas were constructed. The systems do not provide the two-way communication required by current standards. The Nurse Call systems are outdated and will require replacement if patient care areas are renovated to assure reliable service."

These are important issues, yet, nothing has been done in nine years to address these issues by the Hospital. There are no cost estimates for any of the suggested replacement systems by architects or other knowledgeable experts so that informed comparisons can be made. between a renovations and a new \$46,624,405 dollar complex.

All of the recommendations of the DETAILED INFRASTRUCTURE ANALYSIS can be included in a prioritized HOSPITAL MASTER PLAN and purchased monthly. In the past nine years numerous systems and purchases of equipment could have occurred and the hospital would have been largely reimbursed, instead the Hospital is proposing to spend a total of \$40,000,000 or \$2,000,000 million annually for twenty years or \$166,666.67 monthly for a new hospital complex.

It is hoping that Medicare, a program that is in trouble, will pay 50% for the next twenty years; it is hoping that governmental employees, such as Perry County employees, teachers, hospital employees, local employers, the State taxpayers and others will pay through higher premiums and taxes the other 50% for the next twenty years.

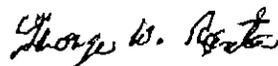
My suggestion is to temporarily move the EMERGENCY ROOM to the space now used by the Specialty Services and Rehabilitation in the 1976 addition and renovate the EMERGENCY ROOM so that it has approximately the same square feet as the proposed hospital complex, also the same number of rooms and privacy. The Specialty Services and Rehabilitation could, temporarily, during construction, use the Conference Room and the Classroom or the second floor of the original building. This is what Sparta Community hospital did at a cost of \$1,500,000 and Marshall Browning did at first with a similar cost. Marshall Browning's total cost for renovation and new construction for similar aged buildings was \$10 million. Our total cost should be similar to theirs.

Then RENOVATE the 1976 newer building which only requires minor changes such as converting many of the semi-private rooms to private rooms which can be done by the hospital's maintenance department.

NEW CONSTRUCTION: Build a matching brick addition attached to the present 1965 building. This three level 30' x 180' addition will provide 50% to 100% more space to services on the three floors allowing the building to have similar square feet as the proposed new hospital at a lower cost so that our patient care charges will be similar to other area hospitals. The surgical elevator can be extended to the roof of the 1965 building as recommended by the State for helicopter landings.

REASONS FOR CONCERN: The Hospital District's and Perry County citizens have: 12.7% unemployment and more if you count the people who have stopped looking; it has lost 800 well paying jobs since 2002 only to gain (maybe) 16; it is on the Poverty Warning List; Perry County budgeted \$700,000 for health care with actual costs at \$1,000,000 or a 42.86% over budget; Perry County had to increase its real estate taxes by 13%; Perry County had to borrow money in January, months before the first tax installment is due; where there is a long delinquent tax list of people unable to pay.

CONCLUSION: We can not afford a new hospital costing \$46,624,405!



George W. Ranta
501 Coffman Street
Pinckneyville, IL

I'm a concerned
resident
of Pinckneyville, IL

Eric Lambert

The last thing Pinckneyville
needs is to go \$46. mil
in debt.

How can this be done without raising taxes?
How can anyone expect any
area as poverty stricken
as we are to pay back
that much money? If their
financial alternatives happen to backfire,

If the hospital couldn't
operate ~~on~~ on their
funding for skilled care,
how can we expect
~~to~~ our government, scandalized
& in debt, foot the bill
for this project?

~~My sister~~ ^{Margie Schwarz} ~~worked~~ 16 years
for this hospital
until she was laid off
because ~~that~~ ^{that} program of
skilled care could no longer
be funded.

I applaud Geo Ranta for his detailed
letter & wholeheartedly agree.

Mark S. McDaniel

5-8-9

Dear Tom,

My wife Ruth and I
feel a new hospital for
Pineknayville is essential. We
have two young daughters as
well as a local business that
depend on the medical care
you provide.

We support you 100%.

Sincerely,

Mark & Ruth McDaniel

McDaniel's Furniture

Mary M. Roe
804 Belle Avenue
Pinckneyville, IL 62274

February 4, 2010

Ms. Courtney Avery, Acting Chair
Illinois Health Facilities Planning Board
525 West Jefferson Street – 2nd Floor
Springfield, IL 62761

Dear Ms. Avery:

Re: Project 09-068

This letter is to serve as my total support of the Pinckneyville Community Hospital's request for the construction of a new hospital.

A community is often defined by the quality of its healthcare facilities and the resulting quality of care. Pinckneyville has a long history of quality healthcare for its citizens and the surrounding communities. A new hospital would contribute to the continuation of that long tradition.

I want to thank you and the Planning Board for consideration of Pinckneyville Hospital's new construction request. The community looks forward to hearing the good news that the request has been approved by the Planning Board.

Yours truly,



Mary M. Roe



February 3, 2010

Illinois Health Facilities and Services Board
525 West Jefferson Street – 2nd Floor
Springfield, IL 62761

Project # 09-068 Replacement Hospital for Pinckneyville

Dear Ladies and Gentleman:

I write on behalf of the Foundation for Pinckneyville in support of the plans for a new hospital building for the Pinckneyville Community Hospital. The Foundation for Pinckneyville is a nonprofit, 501(c) (3) organization whose mission is to make Pinckneyville a destination- a community with quality education, state of the art healthcare, and economic stability. Our organization has sponsored an active strategic planning effort in the community which began in 2007. A new, state of the art hospital has been an important part of our strategic planning vision.

The Board of Directors of Pinckneyville Community Hospital is composed of our community's most dedicated, most competent citizens. They have openly articulated their plans for the new building and the steps they took to address its feasibility and need. Our organization has complete confidence in their decision and we support their efforts.

Very truly yours,

Gail Pyatt
Chairman

Board of Directors

Gail S. Pyatt
Irl F. Engelhardt
Charles R. Dobrinick
John Shotton
Toni Engelhardt
Patricia E. Kattenbraker
Larry S. West
James A. Wittenauer

Foundation for the Future of Pinckneyville, Inc.

618.571.1171 | 101 south main street | po box 213 | pinckneyville, il 62274

February 4, 2010

Ms. Courtney Avery, Acting Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: Project 09-068 Public Hearing Comments
Pinckneyville Community Hospital Replacement
Pinckneyville, Illinois

Good afternoon and thank you for this opportunity to speak in favor of the proposed replacement hospital project.

My name is Tim King and I am the Vice President of BMO Capital Markets GKST Inc., the hospital's investment banking firm. We were retained in 2007 to determine the best financing strategy for the proposed new facility. Our analysis reviewed various direct loan options, bond financing, and federal and state loan guarantee programs. In 2009, the hospital completed the preliminary application process with the Federal Housing Authority Housing and Urban Development's Section 242 Hospital Financing Program. After meeting with HUD representatives in Washington DC, the hospital was approved to make a final application. We expect to submit the application this month and receive formal approval after receipt of the Certificate of Need.

The HUD guarantee will allow the hospital to receive very attractive AAA-rated interest financing at fixed rates for 25 years. Also, because the hospital is a government entity, it can utilize the new Build America Bond program enacted in 2009 with the American Recovery and Reinvestment Act. We expect the overall fixed interest rate after Build America rebate to be below 5% in the current market. We also expect savings with the HUD guarantee over conventional financing to exceed \$4 million dollars over the life of the loan.

In short, we believe that the timing for the hospital financing is excellent, and would highly recommend that this project be approved quickly to lock in these favorable rates.

Thank you for this opportunity to support Project 09-068.

E. Timothy King
Vice President
BMO Capital Markets GKST Inc.
P.O. Box 21
Monticello, IL 61856
217-762-4578



Main Office
115 S. LaSalle St. 37th Floor West
Chicago, Illinois 60603
312-845-4094



G R E S H A M
S M I T H A N D
P A R T N E R S

February 4, 2010

Ms. Courtney Avery
Illinois Health Facilities and Services Board
525 West Jefferson - 2nd Floor
Springfield, Illinois 62761

**Subject: Project 09-068 Public Hearing Comments
Pinckneyville Community Hospital Replacement Facility
Pinckneyville, Illinois**

Good afternoon and thank you for this opportunity to speak in favor of the proposed replacement facility project.

Meeting the Demands of Modern Healthcare

Aging hospitals are being faced with the challenge of trying to meet rapidly growing healthcare trends while their dilapidated facilities make such attempts extremely difficult if not entirely impossible. With enormous advances in medical equipment and technologies, and a push for evidenced-based design studies, the healthcare environment has evolved tremendously from what it was even just a decade ago. Both caregivers and patients measure providers by ever-increasing standards, and a facility's survival is now more than ever dependent upon its ability to accommodate modern trends. Pinckneyville Community Hospital is one such provider that is limited in addressing today's demands by an outdated and deteriorating facility.

Three Key Trends

1. Providing Patient Privacy
2. Accommodating Family Involvement in Care
3. Increasing Demand for Outpatient Services

Patient Privacy Goals

Private patient rooms are a major step hospitals have taken toward promoting patient privacy. In addition to private rooms, hospital design now focuses on creating separate public and patient circulatory zones. In older facilities, the patient-care area and visitor travel path typically were not separated. It was not uncommon for patients to encounter the general public while being transported between rooms. Besides the emotional stresses that this interaction potentially creates, it also poses health concerns by promoting the spread of infections. Modern healthcare design focuses on creating patient circulation in an entirely different set of corridors from those that the public utilizes. The "working guts" of the hospital remain off-limits to the public, providing necessary privacy as the patient is moved between rooms or departments.

Family Involvement Driving Design

Anyone who has had a loved one hospitalized for any reason realizes the importance of being involved in their care, whether anxiously awaiting a doctor consultation or simply being there to help pass the hours. Without question, families are more than mere visitors. Studies have shown



Ms. Courtney Avery
February 4, 2010
Page 2

that not only can they be a great facilitator in the healing process but they also serve as an extension of the care-giving staff. Patient rooms are designed much larger than in the past to allow for patient, caregiver, and family zones. An important point to keep in mind is that many older facilities are simply converting their semi-private rooms to private rooms merely by putting one patient in each. But, this seemingly easy fix is still not adequately meeting important spatial guidelines.

In addition to the importance of providing space for the family within the patient room, there is an increased demand for hospitality-inspired waiting areas. Modern healthcare environments provide large waiting areas sub-divided into smaller "family clusters" by partial height partitions, consultation spaces for doctors to meet privately with patient families, and an array of smaller spaces and alcoves to provide areas for things such as a cell phone call or quiet seating area.

Rapid Growth of Outpatient Services

Sg2, a future-focused healthcare information systems company, just released a study declaring a 22% increase in outpatient services between now and 2019 while the demand on inpatient services shows no real increase. With treatment and medical equipment advances, patients are increasingly able to undergo procedures or receive treatments in comfortable outpatient settings. Lengthy hospital stays for routinely scheduled procedures are largely a thing of the past as an overwhelming number of patients prefer outpatient services over hospitalization. With such a sharp incline in the demand for outpatient services, facilities need to be equipped to continue to provide the latest technologies.

How Can Pinckneyville Community Hospital Accommodate These Trends?

The current Pinckneyville Community Hospital facility is unable to provide for or even address these three key trends of modern healthcare. The current facility's ability to provide a timely and cost-effective solution is limited by two major factors:

1. The hospital doesn't have the adequate space to simply be remodeled and reconfigured to provide for these trends.
2. Due to the current location and size of the site, there is no room for horizontal expansion to add the amount of space needed.

The layout of the facility is already fractured by the separation of services among several buildings. There is no way to reconfigure the existing facility to achieve proper patient flow, retain separation of public and patient circulation, provide adequate space for visitors, and allow for the continued growth of outpatient services. Pinckneyville Community Hospital's survival depends upon its ability to evolve with modern trends to provide quality healthcare. With its particular set of circumstances, Pinckneyville Community Hospital needs a new facility to respond to modern advances in healthcare and to continue "*leading the way to a healthier tomorrow.*"

Thank you for this opportunity to support Project 09-068.

A handwritten signature in black ink, appearing to read 'Brent Hughes', written over a horizontal line.

Brent Hughes, AIA, NCARB, LEED AP+, EDAC
Healthcare Architect

Gresham, Smith and Partners
Architecture, Engineering, Interiors, Planning



G R E S H A M
S M I T H A N D
P A R T N E R S

February 4, 2010

Ms. Courtney Avery
Illinois Health Facilities and Services Board
525 West Jefferson - 2nd Floor
Springfield, Illinois 62761

**Subject: Project 09-068 Public Hearing Comments
 Pinckneyville Community Hospital Replacement Facility
 Pinckneyville, Illinois**

Good afternoon and thank you for this opportunity to speak in favor of the proposed replacement facility project.

Renovate or Build New?

The healthcare industry is facing a growing number of challenges to its business model. Its facilities as well as the baby boomer population are aging concurrently, leading to a recent healthcare building boom that will continue for decades. While each facility is presented with a similar but varying set of circumstances, one question looms among them all: can their existing facility be adapted to respond to the demands of modern healthcare or is new construction the only option for survival?

This question is one that Pinckneyville Community Hospital has been trying to answer for years. With most services housed in infrastructures constructed during the 1960s and 1970s, a plethora of issues are limiting the quality of care provided. The hospital has been addressing issues as they arise to the best of its abilities, but solutions are usually temporary, costly "band-aids." An in-depth Facility Masterplan, conducted in 2003 by Gresham Smith & Partners, analyzed the facility from every angle. Those findings suggested that while the hospital might be able to apply a number of "band-aids" to remain functional for a time, soon the problems would be too numerous, severe, and costly to maintain operations. Without serious action to find a solution to all the problems suffered by the deteriorating facility, the outlook for continued care was poor.

As part of the masterplan study, both renovation options and a new construction option were proposed. Several renovation options, each with a specific scope, were developed and reviewed. While each scheme did improve certain aspects of the existing facility, no one scheme was able to effectively reconcile all of the known problems. The most realistic renovation proposals were estimated to cost between 18 and 19 million dollars while the construction of a new replacement facility was estimated to cost less than 21 million dollars. In addition to this incremental cost difference, a renovation project would be hindered by a number of other challenges.

Strategic Direction and Market Dynamics

Continuous advancement of healthcare demands will naturally require service needs to change. With increasing demands placed on wellness and outpatient services, the construction of a new facility will allow the hospital to grow and streamline provided services. A study recently

Design Services For The Built Environment

1400 Nashville City Center / 511 Union Street / Nashville, Tennessee 37219-1732 / Phone 615.770.8100 / www.gspnet.com



Ms. Courtney Avery
February 4, 2010
Page 2

conducted by Stroudwater Associates showed a 7% growth in volume per year for critical access hospitals after completion of a replacement facility project. A new facility is more appealing to potential employees and will allow PCH to capture more market share.

Facility and Site Constraints

The current facility is out of options to develop existing space consistent with contemporary design standards. The services offered are already fragmented among numerous buildings with dysfunctional space adjacencies. Retrofitting the entirety of the current facility to current industry standards would be extremely costly if possible at all. The site is bound by arterial roadways, residential neighborhoods and business developments, leaving no space for horizontal expansion. Shallow floor-to-floor heights and outdated structural designs do not provide appropriate space or loading capacity for new medical technologies and efficient mechanical, electrical and plumbing design, as well as information technology infrastructure. New building codes and hospital licensing laws put the facility in need of upgrades to critical infrastructure components.

Capital and Cost Considerations

The 2003 masterplan estimates clearly show that modernization of an existing facility can be as costly or even more costly than construction of a replacement facility. Renovation is also risky in terms of cost because there are still a lot of unknowns when demolition begins. There are many unforeseeable complications that can arise, resulting in added costs.

Building the Future

Each healthcare provider must evaluate its particular set of circumstances when making the decision to renovate an existing facility or construct a new one. Pinckneyville Community Hospital completed the masterplan study to determine its best course of action. When the estimates are compared and the challenges of the existing infrastructure and site are evaluated, it is clear that the most efficient and economical response is to construct a replacement facility.

Thank you for this opportunity to support Project 09-068.

A handwritten signature in black ink, appearing to read "Brent Hughes", is written over a faint, larger version of the same signature.

Brent Hughes, AIA, NCARB, LEED AP+, EDAC
Healthcare Architect

Gresham, Smith and Partners
Architecture, Engineering, Interiors, Planning

McGladrey & Pullen

Certified Public Accountants

February 4, 2010

McGladrey & Pullen, LLP
15 South Old State Capitol Plaza, Ste. 200
Springfield, IL 62701-1510
P.O. Box 159, Springfield, IL 62705-0159
O 217.789.7700 F 217.753.1654
www.mcgladrey.com

Ms. Courtney Avery, Acting Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: Project 09-068
Public Hearing Comments re: Replacement Hospital
Pinckneyville Community Hospital District
Pinckneyville, Illinois

Dear Ms. Avery:

Good afternoon. I appreciate this opportunity to speak in favor of the proposed replacement hospital project.

My name is Randy Ragan and I am a partner with the firm of McGladrey & Pullen. I am located in our Springfield, Illinois office. We have served as the auditors for the Pinckneyville Community Hospital District since 2006.

Our firm was approached by the Hospital's management to prepare an Examined Forecast of the feasibility of the proposed project.

Description of Examined Forecast

A financial forecast presents, to the best of management's knowledge and belief, the Hospital's future expected financial position, results of operations, and cash flows based on management's assumptions reflecting the conditions it expects to exist and the course of action it expects to take.

The examination of the financial forecast involves the following:

- a. Evaluating the preparation of the prospective financial statements.*
- b. Evaluating the support for the underlying assumptions.*
- c. Evaluating the presentation of the prospective financial statements for conformity with AICPA presentation guidelines.*
- d. Issuing an examination report*

In our report on an examination of the financial forecast, we provide assurance about whether the prospective financial statements are presented in conformity with AICPA presentation guidelines and whether the assumptions provide a reasonable basis for management's forecast. We do not provide assurance about the achievability of the prospective results because events and circumstances frequently do not occur as expected and achievement of the prospective results is dependent on the actions, plans, and assumptions of management.

Due to the risks associated with such projects, the decision to accept or reject such a project is made at the highest levels of our firm. To assure that the project team is taking a completely objective approach, the members of the team that perform the annual audit (myself included) are only involved to provide background information on the Hospital to the Examined Forecast project team.

As to the project itself:

Project Parameters

The forecast period is for the six fiscal years ending April 30, 2010 through April 30, 2015. This period is based on an assumed completion date of September 30, 2011 and three full fiscal years post-construction.

The financial forecast was prepared in connection with the initial application for the Hospital Mortgage Insurance Program under Section 242 of the National Housing Act and the Certificate of Need Application to the Illinois Health Facilities Planning Board.

The content of the financial forecast also is intended to meet the requirements of Section 242, Supplement 10.

Our responsibility extends to the date of our report, November 18, 2009.

The Examined Forecast includes a sensitivity analysis with respect to the key assumptions.

In the evaluation of the support for underlying assumptions, we have considered:

- a. Project Data and Market Data prepared by Prism Consulting*
- b. Pinckneyville Community Hospital District's history and current events*
- c. Current industry trends, benchmarks, and influences*
- d. Cost projections and time lines prepared by Gresham Smith Partners and Robins Morton*
- e. Proposed financing terms provided by BMO Capital Markets*
- f. Completed and proposed contracts and agreements*

Underlying Assumptions

A complete explanation of underlying assumptions and sensitivity is included in the Examined Forecast.

In general, management's assumptions represent a conservative approach. Examples include:

- a. Projected inpatient and outpatient volumes for fiscal year 2010 have been decreased based on the loss of an admitting physician and there is no volume increase projected for inpatient services.*
- b. No significant changes in payor mix.*
- c. No operating cost savings as a result of the new facility are included in the forecast of operating expenses.*

- d. *The treatment of the Build America Bond interest subsidy for Medicare purposes is undetermined. For the purpose of the forecast, it has been assumed the subsidy would reduce the costs eligible for Medicare reimbursement; however, that is not how grant revenue is generally treated in the current reimbursement methodology.*

In addition to the above, other significant assumptions include, but are not limited to:

- a. *4% outpatient volume growth beginning in fiscal year end April 30, 2011.*
- b. *5% annual increase in operating expenses [which includes inflation].*
- c. *Price increases are included in inpatient and outpatient revenue assumptions.*
- d. *A fourth physician will be added in fiscal year ending April 30, 2012.*
- e. *Cost projections for the new facility and financing options.*

Health care reform is a subject of great national debate. This debate may lead to a variety of changes having an effect on the short-term and long-term operations and financial results of health care organizations.

Report

Our report on the Examined Forecast states that the assumptions provide a reasonable basis for management's forecast and indicates that sufficient funds could be generated to meet the Hospital's operating expenses, working capital needs and other financial requirements, including the debt service, during the forecast period.

Thank you for this opportunity to express our support of the Pinckneyville Community Hospital District's replacement hospital project (Project 09-068).

Sincerely,



Randy A. Ragan
Partner

ROBINS & MORTON

Gateway II Building
5500 Maryland Way, Suite 100
Brentwood, TN 37027
p 615.377.3666 f 615.377.3665

February 4, 2010

Ms. Courtney Avery
Acting Chair
Illinois Health Facilities and Services Board
525 West Jefferson – 2nd Floor
Springfield, IL 62761

RE: Pinckneyville Community Hospital
Critical Access Hospital Replacement Facility
Pinckneyville, IL

Dear Ms. Avery:

My name is Glenn Myers. I am an Operations Manager for Robins & Morton; the Construction Manager selected for the Pinckneyville Community Hospital Critical Access Hospital Replacement Facility project and am here in support of this project. The following is a list of current construction cost factors that should be considered for an expedited construction start:

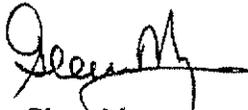
- Steel prices (per ton) have been reduced by \$80/ton after having been increased \$80/Ton on January 1. Another increase is expected in February 2010.
- Copper, a volatile commodity, was \$3.10/lb. on December 1, 2009. It was up over 30% in 2009.
- Labor, especially organized, will see a 2-3% increase in 2010.
- Some building materials (i.e. asphalt, roofing products, aluminum, and lumber) increased up to 6% in 2009.
- Other building materials (i.e. gypsum board, cement/concrete, and rebar) are currently staying constant and are approximately 15% lower than 2008 prices.
- An economic recovery will put a demand on building materials and construction resources and cause an increase in prices.
- Natural disasters (Haiti, Katrina) could cause a shortage of building materials and labor and cause an increase in prices.

Ms. Courtney Avery
February 4, 2010
Page Two

BOTTOM LINE: Healthcare construction costs are 10-15% below their peak in 2008. 2010 is the most favorable time to build as a recovery will happen at some point. With our current estimated cost at approximately \$33.6MM, we do not expect any surprises when bids are solicited for the project later this date.

Thank you for your time and attention.

Sincerely,

A handwritten signature in black ink, appearing to read "Glenn Myers", written over a circular stamp or seal.

Glenn Myers
Operations Manager

GM:sb

cc: JP/File

February 4, 2010

Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: Project 09-068 Public Hearing Comments
Pinckneyville Community Hospital Replacement
Pinckneyville, Illinois

Good afternoon and thank you for this opportunity to speak in favor of the proposed replacement hospital project.

My name is Ed Parkhurst and I am the managing principal of PRISM Healthcare Consulting in Glen Ellyn, Illinois. We have consulted to the Hospital since 2007. Among various other services provided to Pinckneyville Community Hospital, we have analyzed the market to determine the local need for healthcare services including a hospital.

Our various market analysis concluded:

1. Pinckneyville Community District Hospital has been designated as a "necessary provider of health services" by the Illinois Department of Public Health. As such, the State recognizes the need for a hospital in Pinckneyville.
2. The Hospital's primary market, or service area, is Perry County. It accounts for approximately 86% of the Hospital's patients.
3. The Hospital's market area is designated as both a health professionals as well as a physician shortage area by governmental authorities. A hospital is typically necessary to attract and retain health professionals. Thus, another reason for the Hospital.
4. Over the period 2004 through 2008, the Hospital's market share in Pinckneyville, as measured by inpatient discharges, approximated 56%, and it was approximately 22% in Perry County. Thus, the Hospital is an important local resource for healthcare.

5. Demographically, Perry County's population is expected to be approximately 23,000 in 2011, and 24,000 people by 2020 according to the Illinois Department of Economic Opportunity (DCEO). Thus, there is anticipated population growth which will increase local demand for health services. In addition ...
6. Population growth alone is not indicative of potential growth in demand for health services, but an aging population is. Those aged 65 and over use healthcare services proportionately greater than other age cohorts. In 2009 the portion of the population in Perry County aged 65 and over was approximately 16%. This age cohort is expected to grow to 20% of the population by 2020. Hence, there is both overall population growth and also an increase in those aged 65 and over which compounds the demand for local health care services.
7. National research indicates replacement critical access hospital facilities can better attract physicians and other caregivers to a community due to their contemporary nature in contrast to older / outdated healthcare facilities. Hence, another reason for replacement hospital facilities.
8. The Rural Hospital Replacement Facility Study, October 2005, had an advisory panel with representatives from the Federal Office of Rural Health Policy and the Rural Health Resource Center. This study analyzed 20 critical access hospitals. The study results indicated that post-replacement, critical access hospitals had a 10% median increase in admissions, a 7% median increase in discharge days, and a 10% median increase in outpatient visits in the first year post-replacement. Thus, a new replacement hospital is expected to reverse out-migration trends, provide more care locally, and increase the Hospital's market share in Pinckneyville and Perry County.

In conclusion, based on our analysis of the market, we believe a replacement hospital is necessary, feasible, and required to ensure local healthcare resources over the longer term.

Thank you for this opportunity to support Project 09-068.

Edwin W. Parkhurst, Jr.
Managing Principal
PRISM Healthcare Consulting
Building 4, Suite 317
799 Roosevelt Road
Glen Ellyn, Illinois 60137
630-790-1265





February 4, 2010

Ms. Courtney Avery, Acting Chair
Illinois Health Facilities and Services Review Board
25 West Jefferson Street, Second Floor
Springfield, IL 62761

RE: Project 09-068 Public Hearing Comments Pinckneyville Community Hospital Replacement
Pinckneyville, Illinois

I would like to express my appreciation for this opportunity to speak in favor of the proposed replacement hospital project.

My name is Tom Hudgins and I am the Administrator and CEO of the Pinckneyville Community Hospital District and the Pinckneyville Community Hospital.

The replacement facility that is being proposed has an estimated construction cost of \$33.7 million dollars with financing cost approximating \$3.8 million dollars. To date, the hospital has expended slightly over \$2 million dollars from its cash reserves in preparing for the Certificate of Need application and a parallel H.U.D. application. Additional expenditures from cash reserves will be slightly over \$4 million dollars as the project moves to completion. Also contained in the estimated project cost is the net book value of existing equipment that will be relocated to the new building of slightly over \$1.3 million dollars. Contained in the estimated project cost is also a 5% owner's contingency which approximates \$1.7 million dollars. This amount is identified in the event there are needs of the project that exceed the bid price for the project which will also include a 5% contingency that is held by the general contractor. If we have done our jobs well, the expenditure of the hospital contingency will not occur.

The sources of revenue to cover this project have been a topic of discussion. Pinckneyville Community Hospital is reimbursed by Medicare under its Critical Access Hospital reimbursement formula. This will cover approximately 53% of the cost of this project. The 1300 Critical Access Hospitals in the United States are approximately 25% of the total hospitals in the country. This group of 1300 hospitals receives approximately 5% of all Medicare inpatient and outpatient payments to hospitals. This program has enabled small hospitals in rural communities to survive providing local access to quality, cost-effective care and strengthening the ability of hospitals to recruit and retain physicians. These facilities are typically one of the largest, if not the largest, employer in the community providing good paying jobs with good benefits. Medicare will cover the cost of care of Medicare eligible residents, who are the fastest growing group in Perry County, somewhere. There is no reason not to make access to care for routine and

emergency services available locally. For those services we do not provide, we are the connection to the next level of care.

Illinois Medicaid pays us on their fee schedule and any change in our charges will not result in additional revenue from the state.

Our commercial insurance contracts limit the annual amount of increase to 5%. This increase has been typically discounted by 20% under the contract terms which yields a net increase of 4% on what we receive from our commercial insurance contracts.

Individuals who have no insurance receive discounts under the Illinois Uninsured Act and can have part or all of their bill waived under the hospital's Financial Need Program.

The Board members who have preceded me have spoken clearly to the question of taxes.

In order to make sure we are competitive in our area with what we charge for the services we provide, we participate in a blinded third-party survey which allows us to identify where we may be out of line with the average in the area and take appropriate action.

We use a separate blinded survey covering the hospitals south of Interstate 64 to ensure that our wages and benefits are competitive for the area. This approach, plus the board's scholarship program, has enabled us to fill key skilled positions in nursing, x-ray and lab eliminating vacancies in those areas.

Subsequent presenters in support of the project will provide additional information about the viability, need for and window of opportunity associated with this project.



Thomas J. Hudgins, FACHE
Administrator/CEO
Pinckneyville Community Hospital District
Pinckneyville Community Hospital

February 4, 2010

Ms. Courtney Avery, Acting Chair
Illinois Health Facilities Planning Board
525 West Jefferson Street - 2nd floor
Springfield, Il.62761

I am Charles W. Roe. I am a member of the Board of Pinckneyville Community Hospital.

I wish to comment on Project 09-068 to allow the construction of a new Pinckneyville Community Hospital. I am speaking in support of our request.

Our board has spent the past 8 years addressing the following questions: Is the present facility in need of rehabilitation or replacement, and if so, can our district manage the cost of a new facility?

In 2003, the board commissioned Gresham-Smith & Partners to perform a comprehensive Facility Master Plan. Their study concluded our present facility was outdated and inadequate. It also determined it would cost as much or more to rehabilitate the present facility as build a new hospital at a new site. We came to the conclusion that we were in need of a new facility versus trying to rehabilitate the existing facility. At the same time, we were experiencing a declining financial condition. We examined our entire operation to determine how we could stabilize our financial condition and at the same time finance a new building project. We determined this project was necessary to insure we could continue to offer quality health care to our community.

We examined all possible scenarios we could develop concerning the treatment models we could offer, hospital and non-hospital services available, their effect on our operational capability and financial conditions of the hospital. From 2002 through 2007, we initiated 6 independent studies to determine and validate our financial conditions and projections, possible solution to the fate of our non-hospital services, and the feasibility of a replacement for our current hospital. All of these studies are a matter of public record and are available to any interested party and are part of our submitted information.

The board engaged the needed expertise to facilitate this building project. These are:

- Architect..... Gresham Smith & Partners
- General contractor..... Robins Morton
- Auditors..... McGladrey & Pullen
- Financing..... BMO Capital Markets GKST Inc
- CON Consulting..... PRISM Healthcare Consulting

One condition the board committed to at the very beginning of this consideration was that we not move forward with the project unless we felt assured it could be accomplished without a tax increase to our hospital district taxpayers. We remain committed to that condition. Only approximately 1% of our operating budget is derived from local tax revenue.

Our local newspaper, The Press, had a letter to the editor concerning this issue. The writer asked, "Does our community hospital have enough patients and revenue to support a \$45,624,405.00 building program and pay principal and interest on a \$40,925,000.00 loan?" As I previously stated, this^{is} the question we have been addressing for the past 8 years. Each board member has stated they will have to be able to answer these questions with a "yes" before they could make their final vote to finish the project. We have applied to HUD for Hospital Mortgage Insurance. This is not a loan from HUD. If granted, this means they guarantee our loan. For them to do this, they must be convinced we can pay for the loan. After an exhaustive investigation of our request, they invited the hospital to submit an application. Your planning commission also performs a complete investigation into our request. You also determine if you believe we need the facility and if we can pay for it.

The board commissioned McGladrey and Pullen to perform an "Examined Forecast" of our financial condition with projections through 2015. For anyone who would question the validity of this examined forecast, I would invite them to learn the significance of the "unqualified opinion" that was provided with the forecast. Their study determined we can pay this debt with the operational variables remaining as they are at present. The only change needed will be the addition of one physician by July, 2012. If these three entities determine we need the new facility and that we can afford it, I will have no hesitancy, whatsoever, in voting yes to the completion of the project.

I thank the Board for their consideration of this matter.



Charles Wilson Roe, D.D.S., Member of the Board
Pinckneyville Community Hospital and Pinckneyville Community Hospital District
804 Belle Avenue
Pinckneyville, IL 62274
1-618-357-8773

February 4, 2010

Ms. Courtney Avery, Acting Chair
Illinois Health Facilities Planning Board
525 West Jefferson Street - 2nd floor
Springfield, Il.62761

I am speaking in support of Project # 09-068.

The Pinckneyville Community Hospital Board appreciates the opportunity to share with you today the factual information and some of the background that has led us to this point of construction of a new hospital to serve our community.

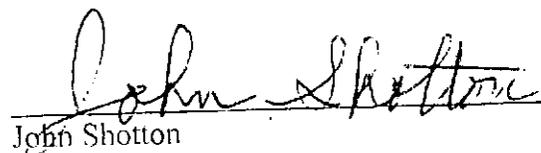
If you will listen closely in the next few minutes, you will hear concise data in the area of demographics of our area, the need for the new facility, the relative merits of new construction versus renovation, the sound financial basis for going forward, the design of the facility, the construction process, and the means of financing the project.

While the Board possesses no particular expertise in any of these areas, we have retained the services of the people from which you will hear, and we have utmost confidence in what they have presented to us and what they will say to you.

The debt incurred to complete this project will be retired through the revenue generated by the use of the facility and the reimbursement mechanism in place from Medicare through our designation as a Critical Access Hospital.

You have the assurance of the Board that no new local taxes or fees will be involved to retire the debt and that if there was any doubt about that the project would not go forward.

The Board has meticulously considered and reviewed every aspect of this project over the past seven years and is convinced the new construction is vital in providing quality medical care for our community in the years ahead.



John Shotton

Chairman of the Board of Directors
Pinckneyville Community Hospital

Illinois Health Facilities and Services Board
525 West Jefferson Street - 2nd Floor
Springfield, IL 62761

To whom it may concern,

I, Charles Herring, am in favor of building a new
replacement hospital for the Pinckneyville Community Hospital located in
Pinckneyville, IL project # 09-068.

Charles Herring

2-4-10

Illinois Health Facilities and Services Board
525 West Jefferson Street – 2nd Floor
Springfield, IL 62761

To whom it may concern,

I, Carol Porter, am in favor of building a new
replacement hospital for the Pinckneyville Community Hospital located in
Pinckneyville, IL project # 09-068.

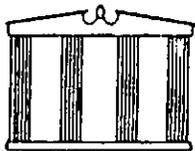
Carol Porter 2-4-10

Illinois Health Facilities and Services Board
525 West Jefferson Street -- 2nd Floor
Springfield, IL 62761

To whom it may concern,

I, Kenneth R. Miller, am in favor of building a new
replacement hospital for the Pinckneyville Community Hospital located in
Pinckneyville, IL project # 09-068.

Kenneth R. Miller 2/4/10



FIRST NATIONAL INSURANCE SERVICES, INC.

A Subsidiary of First Perry Bancorp, Inc.

February 3, 2010

Illinois Health Facilities and Services Board
525 West Jefferson Street – 2nd Floor
Springfield, IL 62761

RE: Pinckneyville Community Hospital

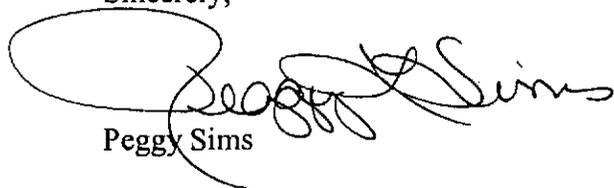
To Whom It May Concern:

This is to voice my support of Project 09-068, which would result in the construction of a replacement hospital in Pinckneyville, IL.

As a business manager in Pinckneyville, I feel that this project is vital to our community as a whole. Not only is health care of utmost importance in a forward moving community, but the ability for our health care givers to supply the best care possible is essential. By providing a state of the art hospital building it will help Pinckneyville attract new businesses and encourage families to relocate here. It will be good for the health of our community.

Thank you for your consideration of this request.

Sincerely,



Peggy Sims

Kara Jo Carson
704 South Walnut Street
Pinckneyville, IL 62274

February 3, 2010

Illinois Health Facilities and Services Board
525 West Jefferson Street – 2nd Floor
Springfield , IL 62761

RE: Project 09-068

Dear Illinois Health Facilities and Services Board:

This letter serves as my support for Pinckneyville Community Hospital's replacement facility under Project # 09-068.

Sincerely,

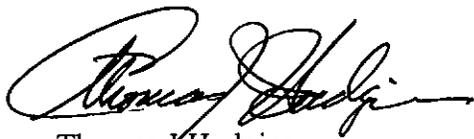
A handwritten signature in cursive script that reads "Kara Jo Carson". The signature is written in black ink and is positioned above the typed name.

Kara Jo Carson, CPA, MACC, CHFP

Illinois Health Facilities and Services Board
525 West Jefferson Street – 2nd Floor
Springfield, IL 62761

I am submitting this letter in support of Project 09-068 to allow for a replacement hospital to be built in Pinckneyville, IL 62274.

Sincerely,

A handwritten signature in black ink, appearing to read "Thomas J. Hudgins". The signature is fluid and cursive, with a large initial "T" and "H".

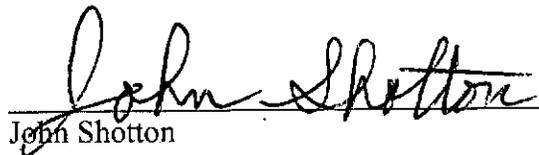
Thomas J Hudgins

825 Twin Lakes Lane
Pinckneyville, IL 62274
2/4/2010

February 4, 2010

To: Health Facilities Planning Board

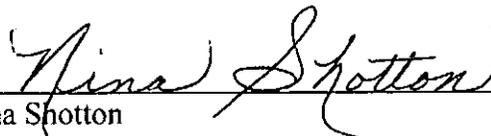
Please accept this as a vote of strong support for construction of the new Pinckneyville Community Hospital. This new facility is vital to the future of quality healthcare in our community.


John Shotton

February 4, 2010

To: Health Facilities Planning Board

As a resident of the Pinckneyville Community Hospital District, I would like to speak in total support of the new Pinckneyville Community Hospital. We need this facility in our community.


Nina Shotton



RED HAWK GOLF CLUB
6204 St. Rte. 154
Tamaroa, IL 62888
E-Mail: redhawk@accessus.net

Clubhouse: 618-357-8712
Pro Shop: 618-357-9704
Fax: 618-357-8108
Website: redhawkgc.net

May 10, 299

To Whom It May Concern:

As a small business owner in the Pinckneyville area, I can tell you firsthand how supportive my neighbors and I are with regards to constructing a new hospital. Our whole community has taken a proactive stance on replacing our obsolete facility.

Our Community Hospital must be modernized to offer quality services for the long run, everyone agrees. We believe (residents) the community deserves quality, affordable medical services. If we don't replace the existing facility, the hospital will ultimately result in limiting the services it provides, and perhaps even eventually forcing its closing.

In conclusion, we need a new hospital to provide us with quality, affordable medical service well into the next century and to make the area much more attractive to potential residents and small business areas. Our present Community Hospital is antiquated and does not meet the needs or demand of the residents proficiently.

Sincerely,

A handwritten signature in black ink that reads "Dan Breslin". The signature is fluid and cursive, with a long horizontal stroke at the end.

Dan Breslin
Managing Partner



May 6, 2009

Mr. Thomas J. Hudgins
Administrator/CEO
Pinckneyville Community Hospital
101 North Walnut Street
Pinckneyville, IL 62274

Dear Mr. Hudgins:

I am writing this letter in support of the proposed replacement facility that your Hospital is trying to secure for our community and region. Our bank, as a member of the financial community, knows firsthand how important an asset your Hospital is to our entire region. With a budget of over 20 million dollars your facility has a huge economic impact in an area that is one of the most economically depressed in the State of Illinois. Our county consistently is in the top five for the highest unemployment rates in our state. Your facility, as one of the biggest employers of quality jobs in our area provides a significant economic impact.

If economic impact were the only reason in itself I would be for your new facility. However, having used your hospital services over the years it has become apparent that the aging facility is now in need of replacement. Upon a recent visit I saw many signs of a facility that was designed for medical care of years past and that has been pushed to its limit of use for today's needs. Medical staff is utilizing every possible space, but it is obvious that today's equipment does not fit into space designed for 1960's era needs.

In conclusion, I want to commend you and your medical staff for providing a valuable service to our community for so many years. In our rural area it would be difficult for families to have the same quality of life without the medical care you have consistently provided. For this reason, I firmly believe that a new facility is not only needed, but absolutely necessary for our area to exist and prosper into the future.

Sincerely,

A handwritten signature in black ink, appearing to read 'David R. Pirsein'.

David R. Pirsein,
President & CEO

May 7, 2009

Thomas J. Hudgins, FACHE
Administrator/CEO
Pinckneyville Community Hospital
101 N. Walnut St.
Pinckneyville, IL 62274

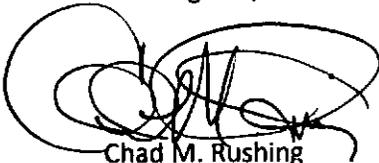
Dear Mr. Hudgins,

I am writing this letter to express my support for the construction of a new hospital for our community.

In many instances, a hospital is like a business – its facilities and equipment must be improved constantly. Our present facility is no longer adequate to provide the quality of health care for our community. The present building has seen past renovations and is beyond any further expansion at its present location. While medical equipment has been updated, the space is quite limited. We need to keep up with expanding technology to provide the best possible health care.

The construction of a new facility is vital to the infrastructure and growth of this community. A new facility would certainly be an incentive for health care professionals to relocate to our area and would also provide much needed career opportunities for our area.

Best regards,



Chad M. Rushing

vkd

Pinckneyville Ambulance Service
Shane Malawy, Administrator
508 South Main
Pinckneyville IL.
62274

(618) 357-2222 ext.3

May 12, 2009

To Whom It May Concern:

Pinckneyville Ambulance Service began operations in 1976. Since that time, Pinckneyville Community Hospital has been a tremendous asset to the community as well as to the Ambulance Service.

As an Ambulance Service, we responded to 3,028 calls in 2008. The majority of those patients were transported into or out of Pinckneyville Community Hospital. As the call volume for Pinckneyville Ambulance Service increases, so does the demand for training for the Paramedics at the Ambulance Service.

Pinckneyville Community Hospital has become a local source for our Paramedics to become ACLS (Advanced Cardiac Life Support) certified by providing several courses a year. Without this resource, our Medics would have to leave the community for training. With the Medics out of town, staffing an ambulance truly becomes an issue.

Being a rural Ambulance provider, it is crucial to keep our ambulances in service and at the ready to respond to emergencies. Pinckneyville Community Hospital facilitates this by allowing for restock of ambulance supply and pharmaceuticals at any time of the day or night allowing our ambulances to stay available and provide emergency coverage for the people of Pinckneyville and surrounding area.

Currently, the Pinckneyville Community Hospital does not have a landing area for helicopters. If a patient needs rapid air transport to a trauma center or tertiary care center, the aircraft must land at the local High School and the ambulance must transport the flight crew to the hospital to receive the patient and then be transported back to the aircraft. This significantly delays patient transport to a Level 1 trauma center. The need for a new hospital with adequate property to support a helipad is in of itself a priority.

With the current floor plan at Pinckneyville Community Hospital, there is very little individual privacy in the Emergency Room. It is very problematic for EMS providers to give a patient report to hospital staff without another patient in the same room. Also it is not uncommon for EMS providers to wait with a patient in the hallway until rooms can be arranged to accommodate additional patients. There is also no space available for EMS providers to complete the patient care report in private. EMS providers frequently must stand in the hallway and complete paperwork in a very public environment.

The City of Pinckneyville and the surrounding area would definitely benefit from the construction of a new hospital. The patients would see the most return, however, the

Ambulance Service and the rest of the community will benefit as well. Pinckneyville Community Hospital has the full support of the Pinckneyville Ambulance Service to construct a new facility.

With the call volume increasing here at the Ambulance Service, more and more patients will be transported into and out of Pinckneyville Community Hospital. Without a new, updated, and modern facility, it will become increasingly difficult for the Ambulance Service to handle these calls in a timely manner.

Thank you,



Shane Marawy

Pinckneyville True Value
205 East Randolph
Pinckneyville, IL 62274

Tuesday, May 12, 2009

Illinois Health Facilities Planning Board

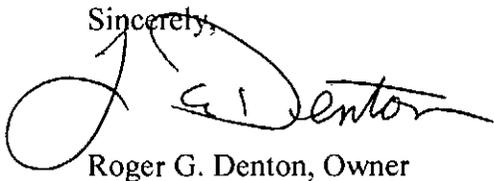
Gentlemen:

As a business owner in Pinckneyville, Illinois, I am writing this letter to support the application by Pinckneyville Community Hospital for the replacement of the existing hospital. A modern, up-to-date health facility is essential to maintain the quality of life in our local community. It is the foundation necessary for growth and development and is an important factor when making the decision of where to live and work.

As a local business, we understand that the 200 workers employed at the hospital helps keep our local economy intact. From a personal perspective, my family and I have appreciated having the convenience of a quality hospital in our hometown and the travel time it has saved, especially during the many emergency room visits we made with our growing family.

Pinckneyville Community Hospital has served the community well and its modernization and expansion is vital to our future.

Sincerely,

A handwritten signature in black ink, appearing to read "Roger G. Denton". The signature is written in a cursive style with a large, looping initial "R".

Roger G. Denton, Owner



Mr. Tom Hudgins
Administrator/CEO
Pinckneyville Community Hospital
101 N. Walnut St.
Pinckneyville, IL 62274

Dear Tom:

I am pleased to write a letter of support for the replacement of the Pinckneyville Community Hospital. The Chamber of Commerce is in unanimous support of this worthy project.

As you well know, the key to providing economic growth is the infrastructure of the community. Individuals and entities desiring to relocate to an area look at several key strengths of any given region. One of the most important is state of the art medical facilities. In recruiting new business to locate in Pinckneyville it is critical that medical care is of the standard that is expected in the United States. Without it, you cannot recruit people to locate in your area nor can you recruit outstanding physicians to practice in the facility.

The development of the new hospital also does not require additional taxation of residents. It is admirable that the Board at your facility has chosen to fund the project from revenues generated by the hospital. Not only will the new facility offer the necessary health care, it is not at the expense of the taxpayer. This is a refreshing change in the current economic climate.

Pinckneyville Community hospital is an important asset to our area and economic development. The hospital's effort to provide modern facilities is emphatically supported by the Pinckneyville Chamber of Commerce.

Sincerely,

A handwritten signature in cursive script that reads "Larry S. West".

Larry S. West
President

Wright's Collision Center

3691 Sap Rd. Route 154 – Pinckneyville, IL. 62274
618-357-6000- 618-357-6001fax- 618-357-1508cell

May 6, 2009

We at WCC Inc. DBA Wright's Collision Center are in favor of a new Hospital facilities in the area. We feel like our community is a growing area that has been hit hard in the past but we still survive. By building a new facilities it should bring new jobs to the area and more revenue as well. We are in favor of this.

Thanks



Matthew L Wright President

Wright's Collision Center
3691 Sap Rd
Pinckneyville, IL. 62274



Pinckneyville Community High School

PCHS Panthers

Brent Kreid, Superintendent

www.pchspanthers.com

Jonathan D. Green, Principal

PCHS DISTRICT No. 101 600 EAST WATER STREET PINCKNEYVILLE, IL 62274 PHONE: (618) 357-5013 FAX: (618) 357-6045

May 12, 2009

Tom Hudgins, Administrator/CEO
Pinckneyville Community Hospital
101 N. Walnut St.
Pinckneyville, IL 62274

Dear Mr. Hudgins,

On behalf of Pinckneyville Community High School District No. 101, I am writing to express support to Pinckneyville Community Hospital (PCH) and its current capital improvement endeavors of replacing the existing PCH facility. Please allow this letter to serve as such support respective to your filing of a Certificate of Need with the Illinois Health Facilities Planning Board, and application to the Housing and Urban Development Program Section 242 for guaranteed financial support.

Respectfully,

Brent Kreid, Superintendent
Pinckneyville Community High School



May 14, 2009

Tom Hudgins
Pinckneyville Community Hospital
101 N. Walnut
Pinckneyville, IL 62274

Dear Tom,

Air Methods Corporation dba ARCH Air Medical Service and the Pinckneyville Community Hospital have had a long history providing the highest quality healthcare to the residents of Pinckneyville and its surrounding communities. We understand the challenges faced in the ever changing medical field, and realize the importance of meeting those challenges to keep up with the changes in technology and advanced care. We commend you on your facility plan as you look to the future needs of your community, and look forward to serving you and your residents for years to come. It is with great pride that we offer the Pinckneyville Community Hospital our support and best wishes for your project.

Sincerely,

A handwritten signature in black ink that reads "Randall Reiman". The signature is written in a cursive, flowing style.

Randall Reiman

Flight Paramedic
ARCH Air Medical Services

Kevin R. Pyatt
John S. Wallace
Larry Cole

Email: wecare@pyattfuneralhome.com



Richard M. Pyatt
Maurice J. Pyatt
(1900-1985)

Website: www.pyattfuneralhome.com

May 13, 2009

Illinois Health Facilities Planning Board

Housing and Urban Development Program Section 242

To the Staff of the Urban Development and Planning Board,

Please accept this letter as my strong endorsement for the replacement of the current Pinckneyville Community Hospital. The community of Pinckneyville is a small but vital town that has always placed a strong emphasis on its health care facilities.

Our current hospital has served the community of Pinckneyville well over the years. However, as medical procedures change and become more technologically advanced, it becomes necessary for facilities to modernize. Pinckneyville's hospital has become outdated and now needs to be replaced in order to keep up with modern health care.

Pinckneyville is poised and ready to continue providing excellent healthcare to the community and surrounding areas. Allowing the New Pinckneyville Community Hospital Project to move forward is the right thing to do and now is the right time to do it.

Thank you for your consideration in this process.

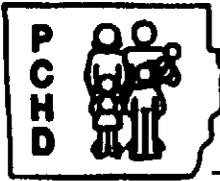
Sincerely



Kevin Pyatt

Owner, Pyatt Funeral Homes

Pinckneyville, DuQuoin, Coulterville and Oakdale



Perry County Health Department

P.O. Box 49
907 South Main
Pinckneyville, Illinois 62274

Working to Keep You Healthy

Telephone
(618) 357-5371

May 15, 2009

Thomas J. Hudgins, FACHE
Administrator/CEO
Pinckneyville Community Hospital
101 N. Walnut Street
Pinckneyville, IL 62274

Dear Mr. Hudgins:

The Perry County Health Department fully supports your efforts to obtain a Certificate of Need from the Illinois Health Facilities Planning Board for the replacement of the existing Pinckneyville Community Hospital.

The Pinckneyville Community Hospital provides access to quality care for the local citizens and many people from surrounding counties that depend on the accessibility of this hospital. Without the care and services that are locally provided, people would have to travel to obtain needed healthcare, and with today's current economy, the low socioeconomic status of the county and rising gas prices it would be difficult for many to access necessary healthcare provided by the hospital.

The health department would also support the addition of an Obstetric unit. Currently the citizens of Perry County must travel to other hospitals that are out of county to deliver babies. This service would be of great benefit to the community along with the other valued healthcare services the Pinckneyville Community Hospital continually provides. Thank you for your commitment and dedication to the community.

Sincerely,



Jodi Schoen
Administrator
Perry County Health Department



May 14, 2009

To Whom It May Concern:

Re: Pinckneyville Hospital Project

As a business having many employees who are citizens of Pinckneyville and Perry County Illinois, we are very concerned regarding the availability of proper health care in the immediate area. We have been presented with the issues regarding the status of the current medical facility and see the need for improvement. Information leads us to believe that it will be ideal and cost effective to construct a complete new facility and not to renovate the existing physical plant.

Therefore, we fully support the need for a new medical facility to be constructed.

If you have any questions please do not hesitate to contact me.

Sincerely,

Marty L. Davis
President/CEO

SOUTHERN ILLINOIS EYECARE

Joseph F. Grasso, O.D.
Lawrence G. Soellner, O.D.
W. Eric Jones, O.D.
Carolyn C. Gibson, O.D.

May 14, 2009

To Whom It May Concern:

Southern Illinois EyeCare is in support of replacing the current Pinckneyville Community Hospital facility. An updated structure and surgery suite would greatly enhance the out come of our patients undergoing eye surgery along with all other out patient procedures.

Please consider granting our community this much needed update to our hospital. If I can be of any further assistance in deciding the need for a new hospital, please call or write.

CHESTER EYECARE

1209 Swanwick St.
Chester, IL 62233
(618) 826-4521
(618) 826-4520 Fax

DUQUOIN EYECARE

7909 State Rte. 14
Suite 200 P.O. Box 109
DuQuoin, IL 62832
(618) 542-6677
(618) 542-6688 Fax

MARISSA EYECARE

521 B North Borders St.
Marissa, IL 62257
(618) 295-1600
(618) 295-1607 Fax

PINCKNEYVILLE EYECARE

15 North Locust St.
Pinckneyville, IL 62274
(618) 357-6117
(618) 357-3406 Fax

SPARTA EYECARE

215 South Burns St.
Sparta, IL 62286
(618) 443-5252
(618) 442-2350 Fax

Sincerely,



Joseph F. Grasso, O.D.

SEMC PATHOLOGY
1270 MERCANTILE DRIVE
HIGHLAND, IL 62249
P.S. Gronemeyer, M.D., Director

(618) 651-8097, toll free (866) 657-8747, fax (618) 651-8097

May 15, 2009

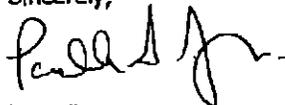
Illinois Health Facility Planning Board

Dear Sirs:

I am writing a letter in support of the construction of a new hospital to replace the current Pinckneyville Community Hospital. I have been a Pathologist in the southern Illinois area since 1981. In 2001, my pathology service began to provide services to Pinckneyville Community Hospital. Over the last 8 years, I have seen how much the community needs the hospital, and the caring health care services provided by the employees at the facility. Rural America is currently suffering from a lack of adequate health care. It is critical that every means possible be used to support the development and maintenance of health care services and facilities in these areas. The current Pinckneyville Community Hospital is outdated, and is desperately in need of replacement. As a Pathologist who is on the staff of multiple hospitals, and is familiar with the diverse communities that I serve, I know that this hospital is needed.

If you have any questions please contact me at my office number above, or through my cellular, (618)-973-3584.

Sincerely,



Pamella S. Gronemeyer, M.D.



City of Pinckneyville

104 South Walnut Street
Pinckneyville, Illinois 62274
(618) 357-6916

Frances I. Thomas
City Clerk

JOSEPH M. HOLDER
Mayor

May 15, 2009

Donald Jones, Supervisor
Project Review Section
Illinois Health Facility Planning Board
525 West Jefferson Street – 2nd Floor
Springfield IL 62761

RE: Pinckneyville Community Hospital's Certificate of Need Application

To Whom It May Concern:

As Mayor of the City of Pinckneyville, it is my duty to provide a written position regarding the construction of a new hospital for the community.

Our community has experienced a series of difficult and challenging problems over the last few years. We have lost our largest employer. We have lost businesses and many jobs. Our community is at a lower level of confidence among our citizens. Many people are very concerned about their financial well being as well as the community as a whole.

Adding to this, a new hospital would have to disconnect itself from another community service; skilled care. That would create more displacement among jobs and citizen service.

However, these events are short-term in nature and have less relevance on a long-term improvement, like this hospital. This new facility will service the next two generations or more. Pinckneyville went hopelessly in debt during the Great Depression of the 1930's to install sanitary sewer collection and processing in the City. This improvement was not well received in the short-term. The long-term benefits were obviously crucial to the growth of Pinckneyville. A new hospital is no less important to this community at this time.

In my opinion, this community needs a new hospital, and I hope its certificate of need is granted. Few remember what makes a community's future promising. Now is the time since the hospital board has taken special care in planning a financial solution to the creation of this new facility.

Sincerely,

Joseph M. Holder, Mayor
City of Pinckneyville.

Cc: Tom Hudgins, Administrator
Pinckneyville Community Hospital

PINCKNEYVILLE CITY COMMISSIONERS

AUGUST J. KELLERMAN
Accounts & Finance

MARTIN M. BELTZ
Public Health & Safety

SAMUEL J. FULK
Streets & Public Improvements

DAVID M. STONE
Public Property

Illinois Health Facilities and Services Board
525 West Jefferson Street – 2nd Floor
Springfield, IL 62761

To whom it may concern,

I, Susan Brown, am in favor of building a new
replacement hospital for the Pinckneyville Community Hospital located in
Pinckneyville, IL project # 09-068.

Susan Brown 02/04/10

Illinois Health Facilities and Services Board
525 West Jefferson Street – 2nd Floor
Springfield, IL 62761

To whom it may concern,

I, Shannon Dawson, am in favor of building a new
replacement hospital for the Pinckneyville Community Hospital located in
Pinckneyville, IL project # 09-068.

Shannon Dawson

2-4-10

Illinois Health Facilities and Services Board
525 West Jefferson Street - 2nd Floor
Springfield, IL 62761

To whom it may concern,

I, Emily Brock, am in favor of building a new
replacement hospital for the Pinckneyville Community Hospital located in
Pinckneyville, IL project # 09-068.

A handwritten signature in cursive script that reads "Emily Brock". The signature is written over a horizontal line and has a large, sweeping flourish underneath it.

FEB 04 2010

Illinois Health Facilities and Services Board
525 West Jefferson Street – 2nd Floor
Springfield, IL 62761

To whom it may concern,

I, Lesley Young, am in favor of building a new
replacement hospital for the Pinckneyville Community Hospital located in
Pinckneyville, IL project # 09-068.

Lesley Young

2-4-10

Illinois Health Facilities and Services Board
525 West Jefferson Street – 2nd Floor
Springfield, IL 62761

To whom it may concern,

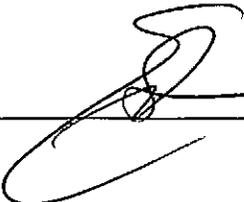
I, Julie Berner, am in favor of building a new
replacement hospital for the Pinckneyville Community Hospital located in
Pinckneyville, IL project # 09-068.

Julie Berner 2/4/10

Illinois Health Facilities and Services Board
525 West Jefferson Street - 2nd Floor
Springfield, IL 62761

To whom it may concern,

I, ERIC CAMPBELL, am in favor of building a new
replacement hospital for the Pinckneyville Community Hospital located in
Pinckneyville, IL project # 09-068.


_____ 2/4/10

Illinois Health Facilities and Services Board
525 West Jefferson Street – 2nd Floor
Springfield, IL 62761

To whom it may concern,

I, Phelma Reiman, am in favor of building a new
replacement hospital for the Pinckneyville Community Hospital located in
Pinckneyville, IL project # 09-068.

As Soon as Possible, Needed Badly.

Phelma Reiman 2-4-10

Illinois Health Facilities and Services Board
525 West Jefferson Street – 2nd Floor
Springfield, IL 62761

To whom it may concern,

I, Rose Thornton, am in favor of building a new
replacement hospital for the Pinckneyville Community Hospital located in
Pinckneyville, IL project # 09-068.

Rose M Thornton

02-03-10